Executive Committee
RI Healthcare Reform Commission
Thursday November 15, 2012
2:00pm – Dept. of Administration

Attendees: Lt. Governor Elizabeth Roberts (Chair), Health Insurance Commissioner Christopher Koller, Director of Administration Richard Licht, Secretary of Health and Human Services Steven Costantino

Absent: Governor's Policy Director Kelly Mahoney

I. Call to Order

a. Lt. Governor Roberts called the meeting to order at 2:00pm. She welcomed members and advised that today the group would be hearing presentations on the topics of the Global Waiver as well as the State Options for Risk Adjustment and Reinsurance.

II. Global Waiver – Deb Florio with EOHHS (slides available online and upon request)

a. Commissioner Koller: Data of how many Rhode Islanders on in one year?
    i. Deb Florio: Usually around 140K, but they move on and off
b. Director Licht: Difference between long-term care and the medical?
    i. Deb Florio: About 4 million, which are institutional and nursing home. Of the 1.9, 450-500K is RIte Care.
c. Lt. Governor Roberts: Populations covered in the disabled category.
    i. Deb Florio: The elderly the physically disabled, the developmentally disabled as well.
    ii. Director Licht: Of the developmentally disabled, there are medical expenses, but also long term car and other expenses, does Medicare cover all of that?
    iii. Secretary Costantino: Some of that is in the medical line. If they go into an ER, that is under medical.
    iv. Lt. Governor Roberts: Housing? Secretary Costantino: One of the things discussed with Elena, is Room and Board a waivable item we can look at in the next application.
    v. Lt. Governor Roberts: The significant expenses in Medicaid are long-term care and housing expenses.
    vi. Deb Florio: Shared living is something we do have in the DD program, but cannot be related. In this program it is just so long as the member is outside the familial financial system. Everyone who is Medicaid only are all enrolled mandatorily in some type of managed care program.
d. Lt. Governor Roberts: Is there any data on what that has done for the medical trend?

i. Secretary Costantino: For the Rhody health partners, one of the first things we saw was that those with serious and persistent mental illness is that they frequent the hospital a great deal. This past year we have had a negative trend with hospital utilization, primary care and specialty care is going up.

e. Commissioner Koller: Can you quantify what positive impact means on GWPG to date?
   i. Deb Florio: When we looked at NDS scores for 2008 and early on in the waiver, they were much lower acuity scores, whereas in 2011 they have gone up. The lower need folks were not in the nursing home, but for those who do need the care we do see that their acuity is up.
f. Director Licht: Where are the protections on shared living?
   i. Deb Florio: We have contracted with two providers, and a full time nurse to review. If anything comes through that indicates that any kind of risk is present, then we would not allow it to go through. There are a litany of safety tests and protocols on board to ensure monitoring.
   ii. Director Licht: Are the patients in this program, is it typically someone coming from nursing home, or before they ever enter?
   iii. Deb Florio: Before they enter; we try to act quickly to ensure.
g. Commissioner Koller: How do you define these savings?
   i. Deb Florio: From the year prior, how much less did we spend.
   ii. Lt. Governor Roberts: Does that include expanded coverage and expanded capacity or just savings?
   iii. Deb Florio: That is what the CNOMs do, and not in those numbers on the slide.
h. Lt. Governor Roberts: For Category II you have to get approval?
   i. Deb Florio: Yes.
   ii. Secretary Costantino: You can see in Cat II needs CMS approval, which is why not a block grant.
   iii. Lt. Governor Roberts: Is Cat III also if you add populations?
   iv. Deb Florio: Yes.
i. Director Licht: I want to understand whatever we spend we have to make the FMAT match. If we spend 1B we pay 52% - around that idea?
   i. Deb Florio: Yes.
   ii. Lt. Governor Roberts: has the national trend been equivalent to RI?
   iii. Deb Florio: Ours has always been a bit lower than the national trend.
j. Secretary Costantino: The CNOMS have to be for Medicaid –like individuals. We have a program at BHDDH, which is a pharmaceutical assistance programs for those with persistent, serious mental illness.

That is a population we used to pay 100% state money on, that we now get match. There are now other services that also meet this.

i. Commissioner Koller: If we want to add another population would that be like another CNOM?
ii. Deb Florio: Yes.
iii. Secretary Costantino: We did this all at the beginning – need to be negotiated and audited.

k. Lt. Governor Roberts: Do you have a corresponding chart somewhere of what the state only expenditure was as compared to the total?
    i. Secretary Costantino: The savings is the federal amount. Director Licht: Big jump from '09 to'10, why?
    ii. Deb Florio: Startup.
l. Lt. Governor Roberts: States need to look at all publicly funded health care – what does that mean?
    i. Secretary Costantino: We are still have some departments that do direct funding to providers. We are not going to do just the Medicaid funded. There have been times that some expenditures made at DCYF for an example that is Medicaid, but is not in the MMIS system, but through a back reimbursement it is funded. This is all of EOHHS that is publicly funded.
m. Director Licht: So every year or couple of years the FMAT changes?
    i. Deb Florio: Correct, but it does not impact the CAP.
    ii. Secretary Costantino: It is counter cyclical – the number you see is three years back.
n. Commissioner Koller: How did the terms under the original agreement affect enrollment – who was at risk for that, feds or us?
    i. Deb Florio: We had the cap.
    ii. Lt. Governor Roberts: If we negotiate a new waiver or whatever, where does Medicaid expansion fit into that?
    iii. Secretary Costantino: It is inside the waiver.
    iv. Lt. Governor Roberts: I assume then if we were going to negotiate it would be for that population. Would we also figure in anticipated but un-enrolled?
    v. Deb Florio: Absolutely, we must.
o. Lt. Governor Roberts: What is the requirement for the program renewal for 2014?
    i. Secretary Costantino: We are discussing with CMS what the terms and conditions are. The problem right now is that 20-25 states are coming in right now.
p. Commissioner Koller: Is there an opportunity for us to offer an alternative to a flat out entitlement or one size fits all block grant?
    i. Secretary Costantino: I think it is flexibility with some accountability.
    ii. Lt. Governor Roberts: I want to agree with the statement that we do not want to give up the _____.

iii. Secretary Costantino: We look at some of the block grants that the state has received; they place a lot of requirements on those block grants. The assumption that we say do what you want with it, that is not going to happen.
iv. Director Licht: I understand that the ACA, with today eligible, but not covered, it is 52:48. When we go negotiate, do we have to do so with cap?
v. Deb Florio: Going out there, looking. Always must negotiate with budget neutrality.
vi. Secretary Costantino: Budget neutrality is what you would have spent without the waiver. You have to prove you are not going to violate that.
vii. Deb Florio: Prove with historical data that when you go in and ask for a 15% trend every year, we need to show that. Can put a lot of assumptions in, but have to demonstrate it.
viii. Lt. Governor Roberts: This was the first and only global waiver we have had.

q. Commissioner Koller: Other states regularly survey the uninsured, which gives them info on the population going in.
i. Lt. Governor Roberts: How close were they when they passed their law?
ii. Commissioner Koller: They underestimated but they were close with disease expectations. We are using money through the exchange grant to do a one off comprehensive survey. May be worth doing a follow up to see those whom we are missing.

r. Secretary Costantino: As we move through this exercise, there may be things in the ACA that we may want to waive as it relates to the Medicaid population that may be complimentary. I am uncertain of the examples at this time yet [State Medicaid Director] Elena Nicolella was discussing this with me. Perhaps the integrated care model, can we do a different payment model which would require we waive some of the Medicaid models to get in that system, can we change this waiver to accommodate some of those ideas. It is interesting to talk about, but I am trying to do some different things with the waiver rather than the typical things already in place.
i. Lt. Governor Roberts: Can we have a brief process discussion then, negotiating already for a delayed letter?
ii. Secretary Costantino: Generally we give a period of public comment, present before the task force, and then the general assembly (GA) has to weigh in. This is a parallel process with CMS and the GA. Often the GA will pass it and sometimes CMS says yes, sometimes it says no.
iii. Director Licht: That would be this session, this wish list resolution?
iv. Secretary Costantino: Yes and public process largely through the task force and the GA.

III. State Options for Risk Adjustment and Reinsurance – Kim Paull, OHIC (presentation available online and upon request)

a. Director Licht: Can you define "our" in our initial?
   - **i.** Kim Paull: Three main groups, 1. Stakeholders, 2. Steering Committee, and 3. Internal staff.
   - **ii.** Lt. Governor Roberts: And I will add that it is subject to change based on details – not the final determination. This is the current state of thinking, but still ways to go.
   - **iii.** Kim Paull: And the way this decision will be made is from the stakeholder => steering committee =>OHIC & DBR => Governor.

b. Director Licht: Risk Adjustment comes about as there is no way of knowing who is signing up with each insurer; I don't understand why reinsurance is necessary.
   - **i.** Kim Paull: What if the uninsured are significantly more sick than the insured population – reinsurance is a temporary program to learn about the population –this is a new population.

c. Secretary Costantino: Is there a regional solution to this?
   - **i.** Kim Paull: It is an idea we can pursue, the big issue is technology is difficult to share, MA has embarked upon their own program, the other reason why is ever state around us is going federal.
   - **ii.** Director Licht: What about selecting a reinsurer?
   - **iii.** Kim Paull: From what we hear from the Wakely team it is easy – we can use a vendor and a spreadsheet.

d. Director Licht: We will have 30 days at some point to make a decision on this but without a sense of cost?
   - **i.** Kim Paull: When the time comes we will have some model or sense of cost.

IV. Public Comment:

a. Linda Katz with the Economic Progress Institute: Will the issue of what is happening with the global waiver come back to this body?
   - i. Lt. Governor Roberts: there is an existing process outside this body, but it will come back if there are decisions that do impact us, but no definite expectation of return.

V. Adjourn – Next Meeting December 20, 2012